



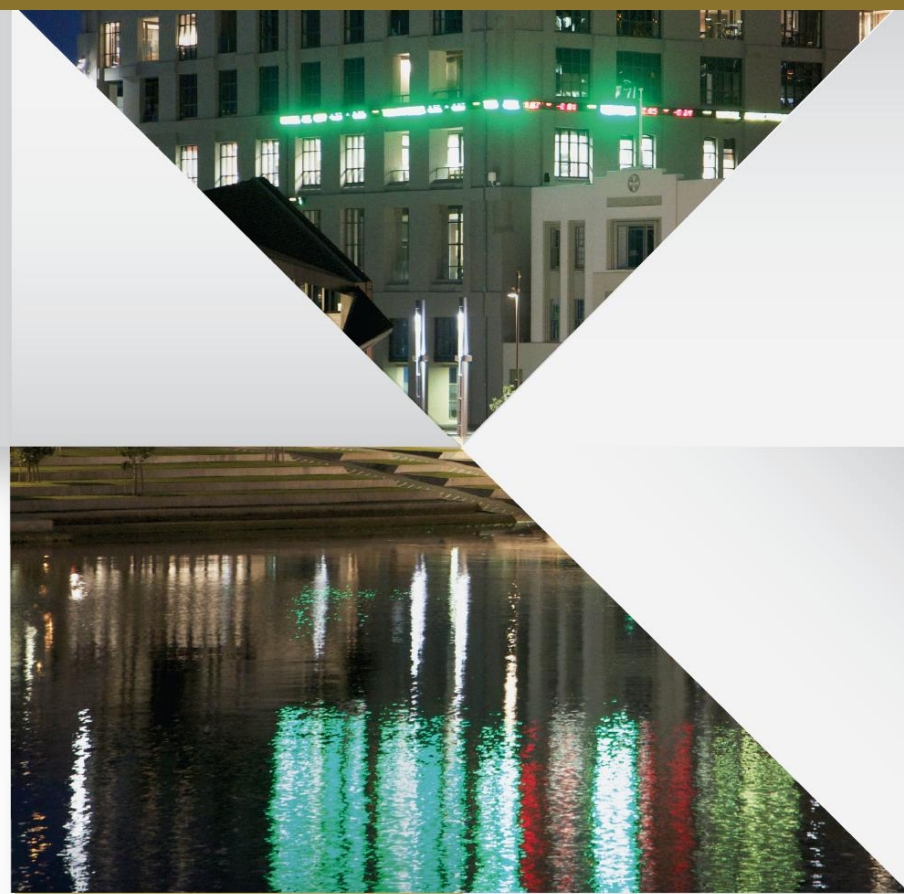
# NZX IPO Master Class

## The Moa Listing Story

27 June 2013



# Introduction



# Welcome by Neil Paviour-Smith – Director, NZX

The presentation team:

▶ **Geoff Ross**  
CEO, Moa Brewing

▶ **Guy Williams**  
Head of Investment Banking, Forsyth Barr

▶ **Roger Wallis**  
Partner, Chapman Tripp

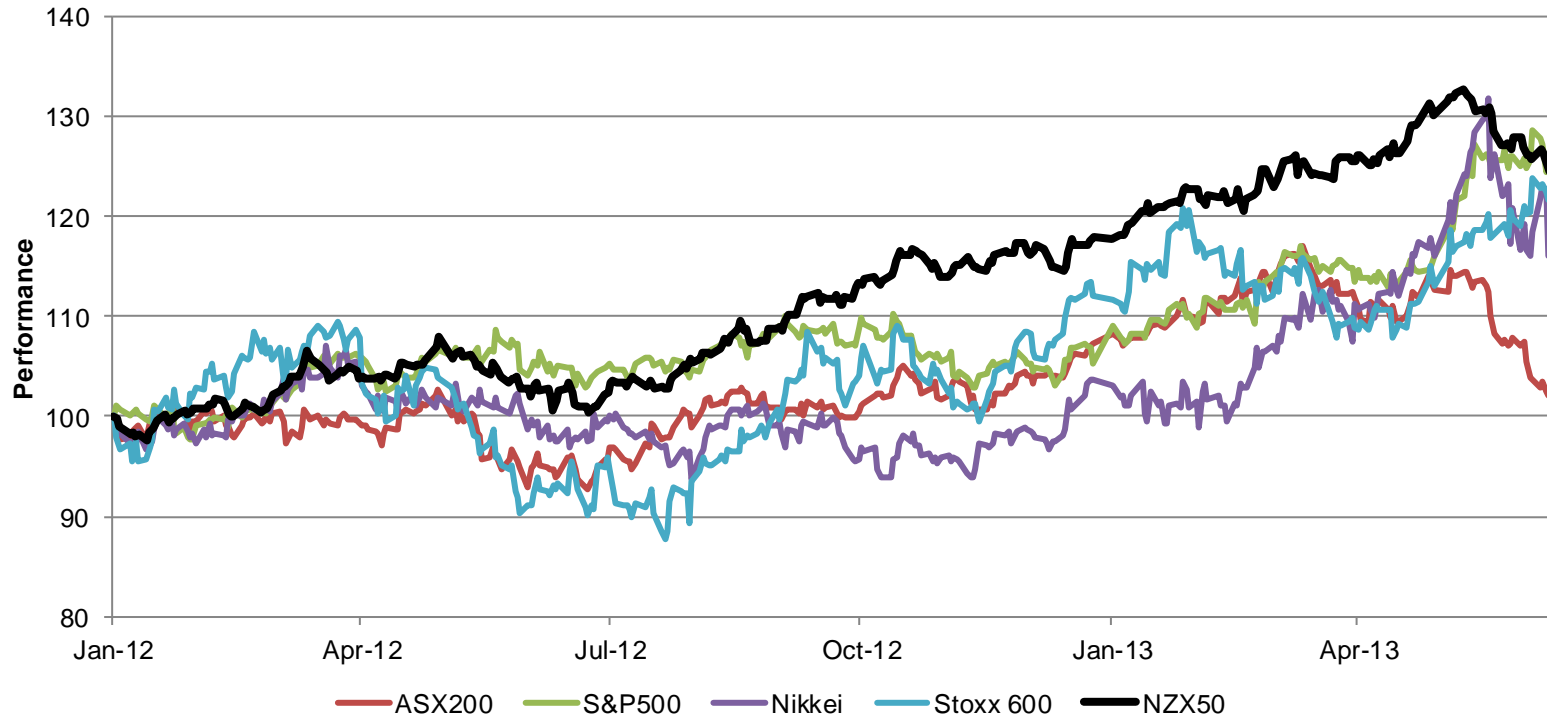
# Agenda

- ▶ Introduction
- ▶ Why IPO?
- ▶ The IPO process
- ▶ Life after listing
- ▶ Questions?
- ▶ Closing comments

# Recent equity market performance

- ▶ The NZX 50 has outperformed most of its international market peers since the start of 2012

Equity market capital indices – (rebased to NZD)



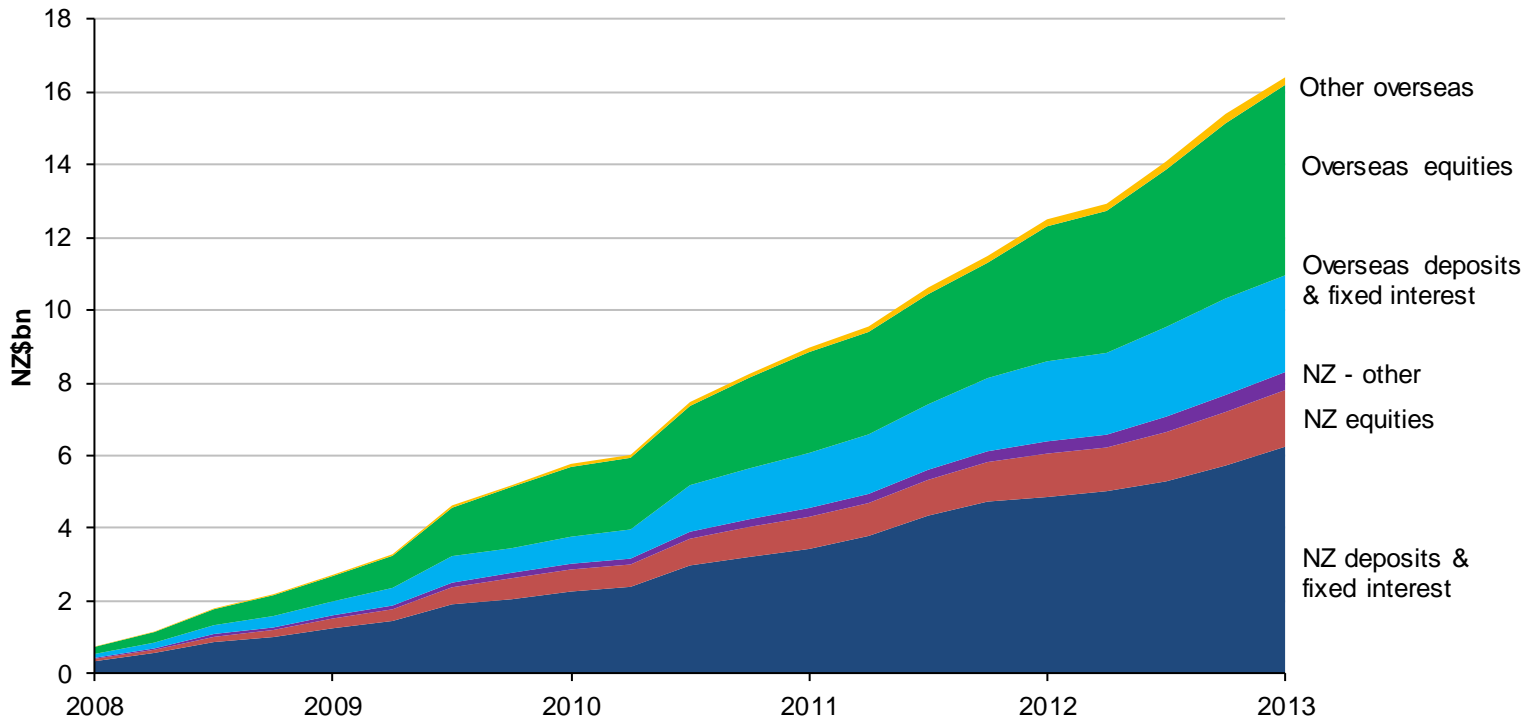
Source: Capital IQ as at 25 June 2013



# Strong growth in Kiwisaver

- ▶ Substantial cash inflows from significant bond maturities and growing KiwiSaver funds continue to drive issuer-friendly conditions

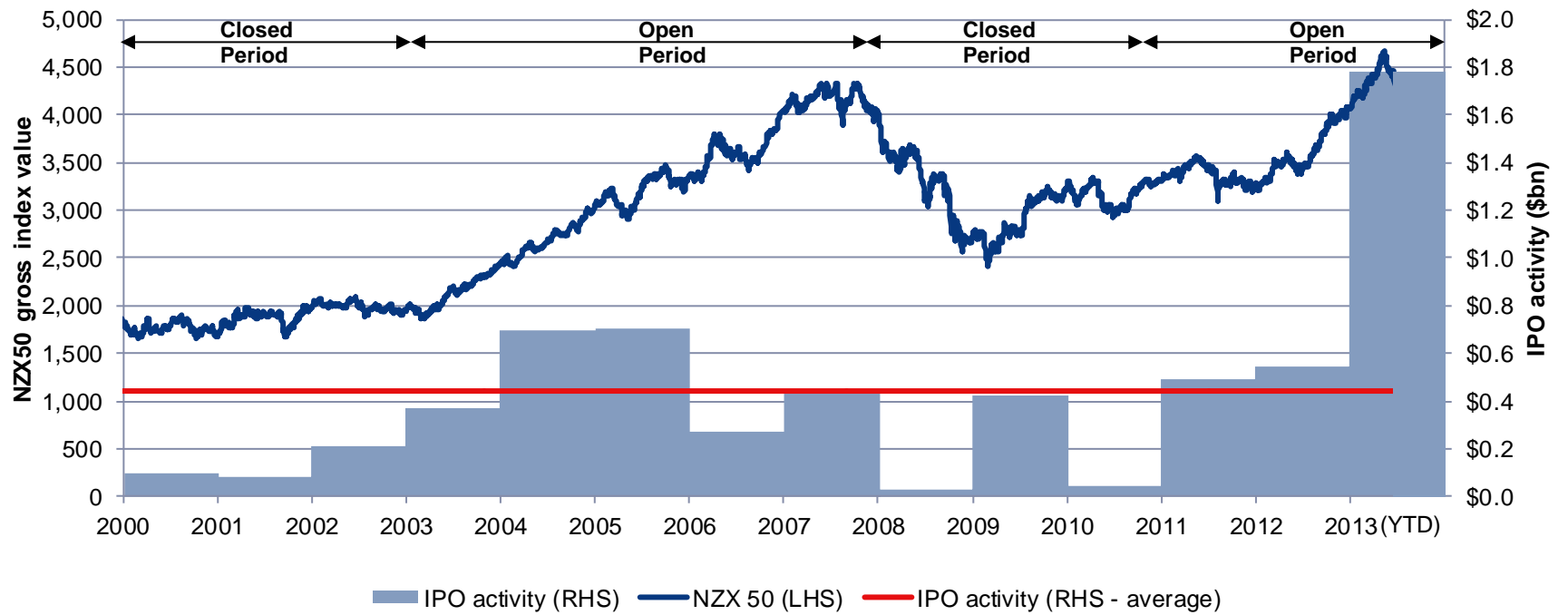
## Kiwisaver balances



Source: RBNZ Managed Fund Assets and Products (Mar 2013)

# The IPO market is active and open

NZ IPO issuance through time														
Number of IPOs <sup>1</sup>	1	2	3	6	9	3	6	7	1	1	1	2	2	3
Major IPO														



Source: IRESS as at 25 June 2013, company announcements, Forsyth Barr estimates  
 (1) IPOs greater than \$10m



# Forsyth Barr's recent IPO experience

## Involved in all recent IPO capital raisings

Current  
NZ\$65m



**Initial Public Offering**

*Joint Lead Manager*

May 2013  
NZ\$27m



**Initial Public Offering**

*Joint Organising Participant  
& Joint Lead Manager*

May 2013  
NZ\$1.7bn



**Initial Public Offering**

*NZ Retail Offer Manager*

Nov 2012  
NZ\$525m



**Initial Public Offering**

*Co-Lead Manager*

Nov 2012  
NZ\$16m



**Initial Public Offering**

*Joint Organising Participant  
& Joint Lead Manager*

Dec 2011  
NZ\$364m



**Initial Public Offering**

*Co-Lead Manager*

Nov 2011  
NZ\$124m

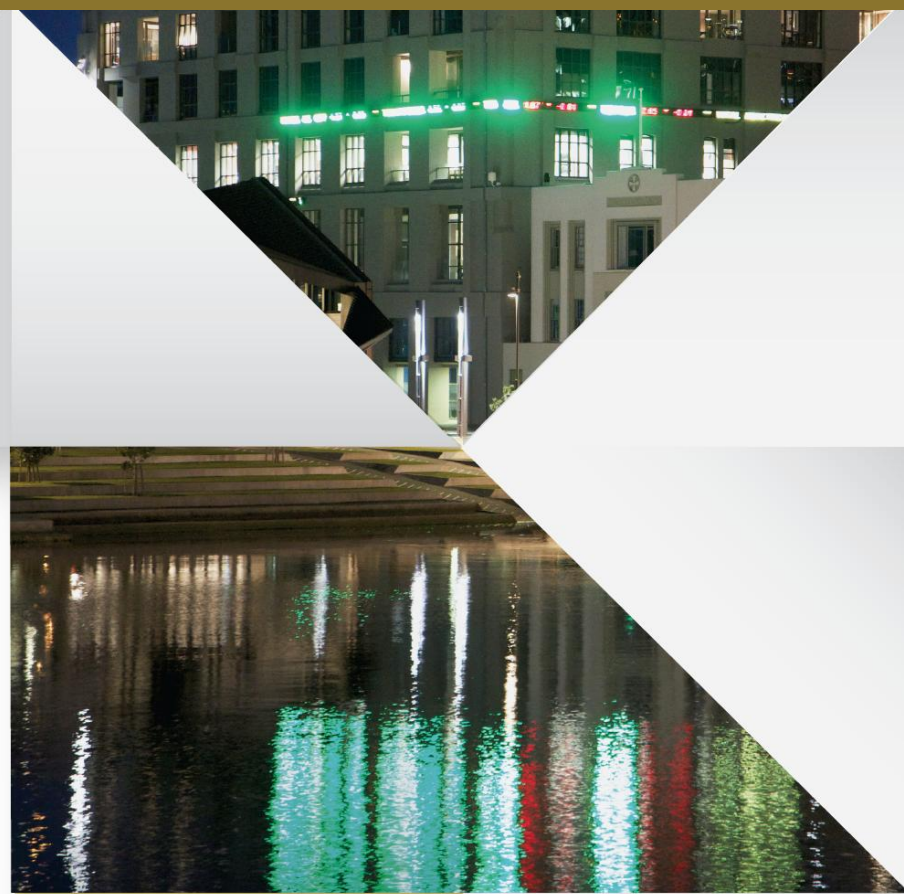


**Initial Public Offering**

*Joint Lead Manager*



# Why IPO?



# Why IPO?

- ▶ Provides access to growth capital
- ▶ Enables founders/existing holders to maintain direction and effective control
- ▶ Creates a tradable market for your company's shares and a transparent valuation for your business
- ▶ Enhances ability to reward loyal employees through employee share schemes with 'real' value
- ▶ Increases company credibility and profile with customers, suppliers and wider public
- ▶ Ready access to capital in future for acquisitions or to enhance growth

# Moa's reasons to IPO



## Introducing Moa

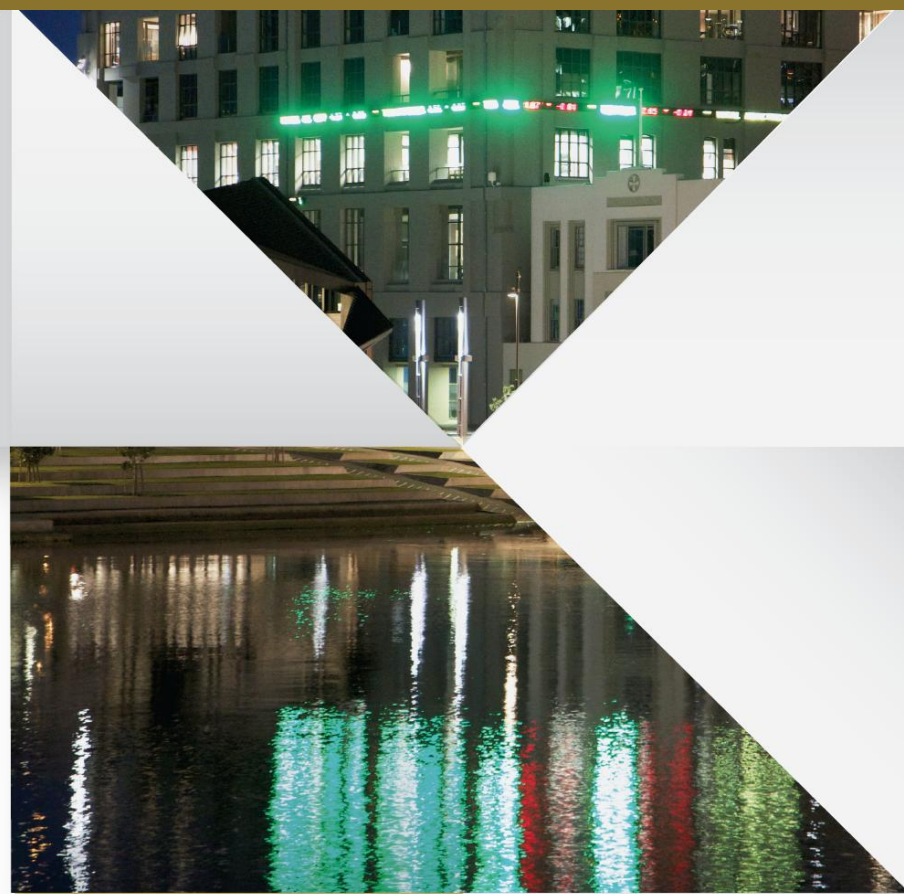
- ▶ Award winning super-premium craft beer
- ▶ Opportunity to create “New Zealand’s Beer Brand, Globally”
- ▶ Prior to IPO the existing shareholders had already heavily invested in rebranding



## Reasons for IPO

- ▶ Raise capital to fund growth and realise business potential
- ▶ Retain independence and unique brand identity
- ▶ Engage with customers and other stakeholders through unique opportunity to “own a New Zealand brewery”

# The IPO process



# Getting ready for an IPO

- ▶ Is your management team fully committed to ensuring a successful IPO?
- ▶ Is your corporate structure appropriate for a listed company?
- ▶ Can you deliver a credible IPO story that is easily understood by investors?
- ▶ Can you successfully deliver your business plan?



# The Moa IPO story

- ▶ Right foundation – platform laid for further sales growth
- ▶ Right product – provenance, ingredients, technique, exportability, award winning taste
- ▶ Right brand – super-premium cues to give international appeal
- ▶ Right distribution partners in key markets
- ▶ Right category – super-premium/craft beer one of the fastest growing segments of beer industry
- ▶ Right team – executives and directors with relevant and complementary experience
- ▶ All new capital, no sell down at IPO – aligns new and existing investors
- ▶ IPO proceeds used to upgrade brew plant to increase production capacity, invest in growing sales in key markets and provide for associated increases in working capital

# Key Offer Considerations



## Consideration

### Equity story

- ▶ Develop with investment banking advisor
- ▶ Understand target investor audience
- ▶ Clearly communicate competitive advantages and investment highlights

- ▶ As per previous slide

### Early pre-marketing

- ▶ Process will depend on size of offer, and lead managers appointed
- ▶ Careful PR strategy and timing of announcements (legal requirements)
- ▶ Sound key brokers and institutions early in process to gauge interest
- ▶ Build own network of investors (friends, family, employees)
- ▶ Broker research is important in post-FAA environment

- ▶ Forsyth Barr and Craigs appointed jointly to manage the offer
- ▶ Presented early to lead manager advisers and key institutions to confirm potential interest
- ▶ Moa established sizable network of further potential investors
- ▶ Pre-registration process built awareness and interest

# Key Offer Considerations



## Consideration

### Offer structure

- ▶ Sell down v growth capital
- ▶ Optimum offer size
- ▶ Price setting mechanism
- ▶ Execution certainty

- ▶ No sell downs all new growth capital
- ▶ Raised \$16 million and existing holders maintained >50% ownership
- ▶ Front-end bookbuild to set fixed-price offer and maximise execution certainty

### Prospective financial information

- ▶ Length of forecast period
- ▶ Achievability of forecasts
- ▶ External review v board sign off

- ▶ Adopted 18 month PFI period
- ▶ Key forecast assumptions stated
- ▶ No external review

### Capital structure and dividend policy

- ▶ Depend on industry norms/competitors and market expectations
- ▶ Growth companies generally hold cash and do not pay dividends post IPO

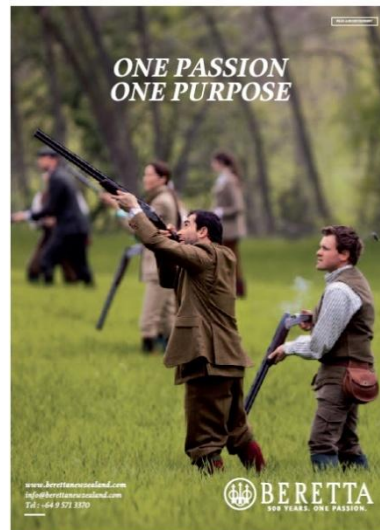
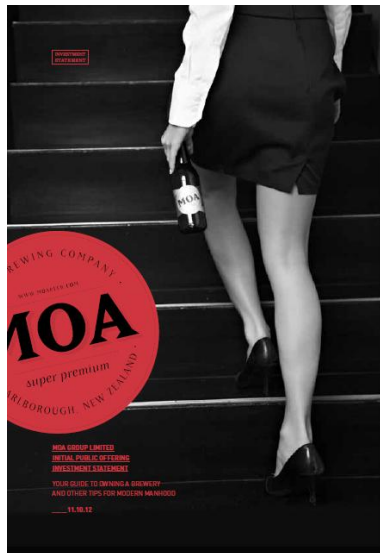
- ▶ Moa is a growth company and has accordingly adopted a conservative capital structure with no debt
- ▶ No intentions to pay dividend in PFI period



# The offer document is an opportunity to position your brand and tell your story



- ▶ Pre-marketing roadshow presentations and institutional presentations were conducted by the CEO, CFO and in some instances independent directors
- ▶ Innovative offer document included paid advertising to help offset printing costs, believed to be a 'world-first'
  - Generated significant media attention – 3News, NZ Herald, AFR, NBR
- ▶ Established an 0800 number and a pre-registration website [www.ownabrewery.co.nz](http://www.ownabrewery.co.nz)
  - Over 1,500 New Zealand investors pre-registered their interest in the issue



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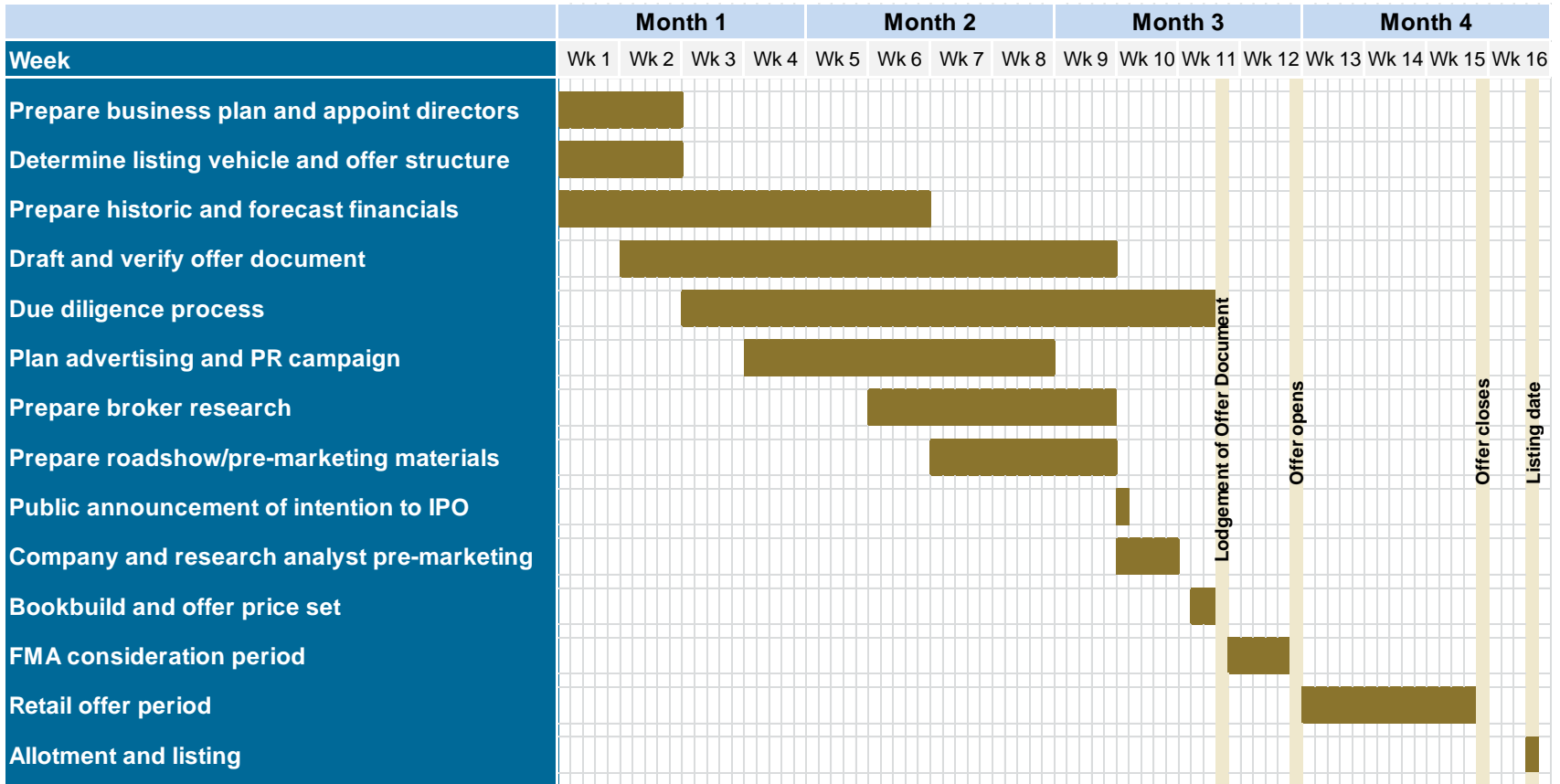
Group | Company



# IPO timetable

Preparation and planning is key to a successful IPO

- ▶ An IPO takes approximately four months to complete



# The role of advisors

- ▶ Investment bank
  - manages the IPO process, offer structuring, raises capital through distribution channels and arranges research coverage
  - underwriting / firm allocation
- ▶ Legal advisor
  - manages due diligence, offer document verification and regulatory compliance processes
- ▶ Other key advisors:
  - Accounting / tax advisor
  - Public Relations advisor
  - Technical consultants (if required)
  - Logistical providers (printers, share registry, advertising, etc.)

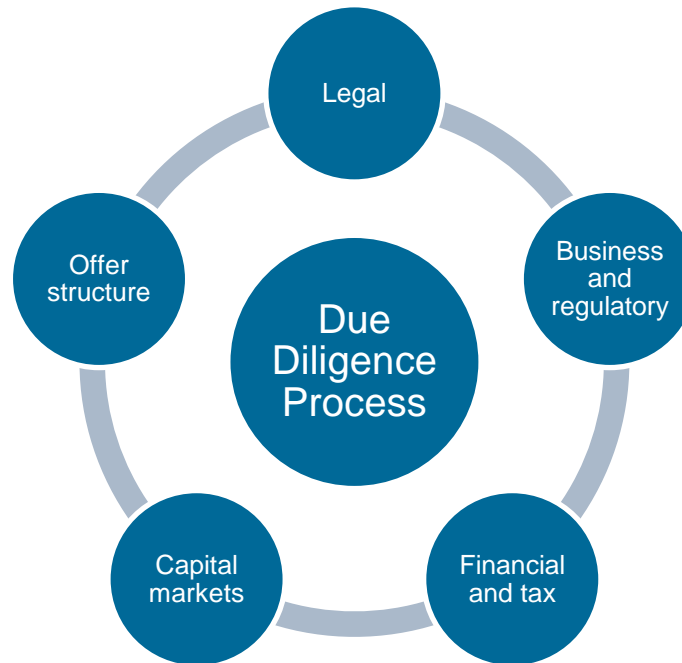
High quality advice helps to deliver a high quality outcome

# Key criteria for an IPO on the NZX

- ▶ Generally, no minimum amount of capital to be raised
  - However, investors will want sufficient post-IPO liquidity
- ▶ At least 25% of free-float shares in public hands post listing
- ▶ At least 500 shareholders post listing
- ▶ Prospectus and disclosure requirements
- ▶ Board structure requirements
- ▶ Escrow period of key shareholders
- ▶ Sponsor / Organising Participant to sponsor and provide credibility to the IPO
- ▶ NZAX has lower thresholds e.g. 50 v 500 shareholders post listing

# IPO process – Due Diligence

- ▶ A thorough due diligence process helps to identify key issues and provides protection and comfort for the directors and promoters of the issue
- ▶ All statements in the prospectus are ultimately formally verified



# IPO marketing and bookbuild process

Marketing and pricing strategy varies for different IPOs

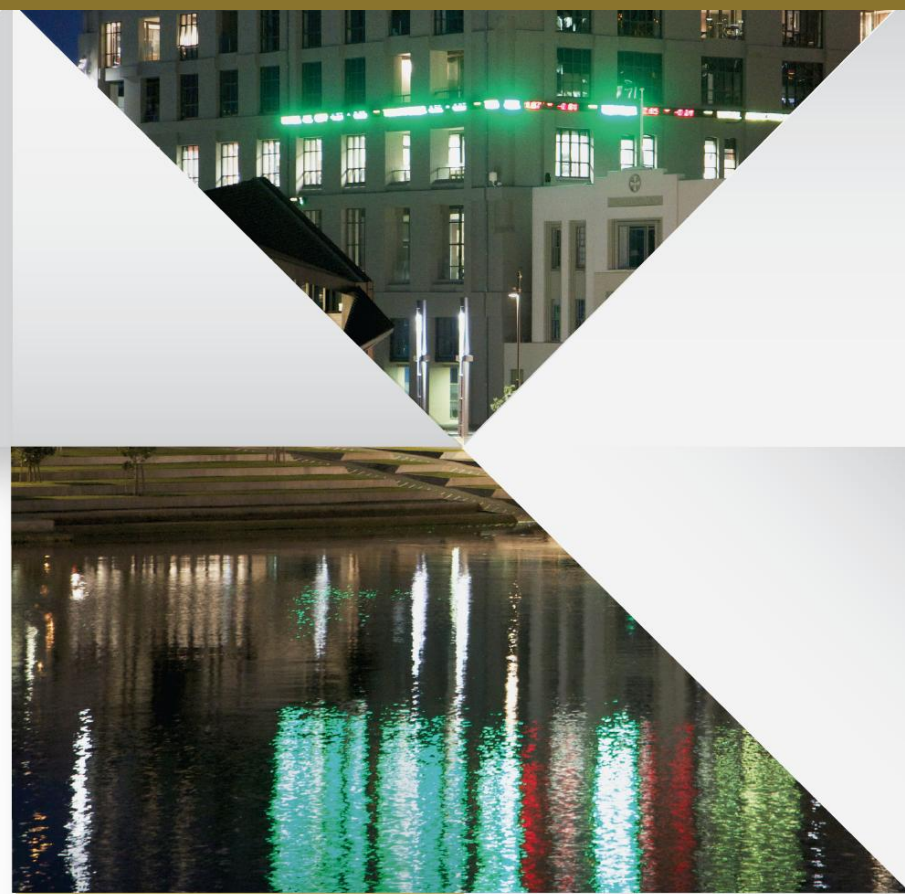
- ▶ Marketing programme depends on offer size and target investor audience
  - domestic vs international
  - institutional vs broker firm vs public pool
- ▶ Company roadshow presentation and research analyst marketing
- ▶ Legal requirements on information disclosure prior to lodging of prospectus
- ▶ Various price setting mechanisms through bookbuild process
  - front end vs back end
- ▶ Underwriting or firm allocation process



# Key success factors for Moa's IPO

- ▶ Committed shareholders and management team
- ▶ Early engagement of board members and advisors
- ▶ Compelling IPO story
- ▶ Innovative public relations strategy
- ▶ Followed through on IPO timeline
- ▶ Track record of people involved

# Life after listing





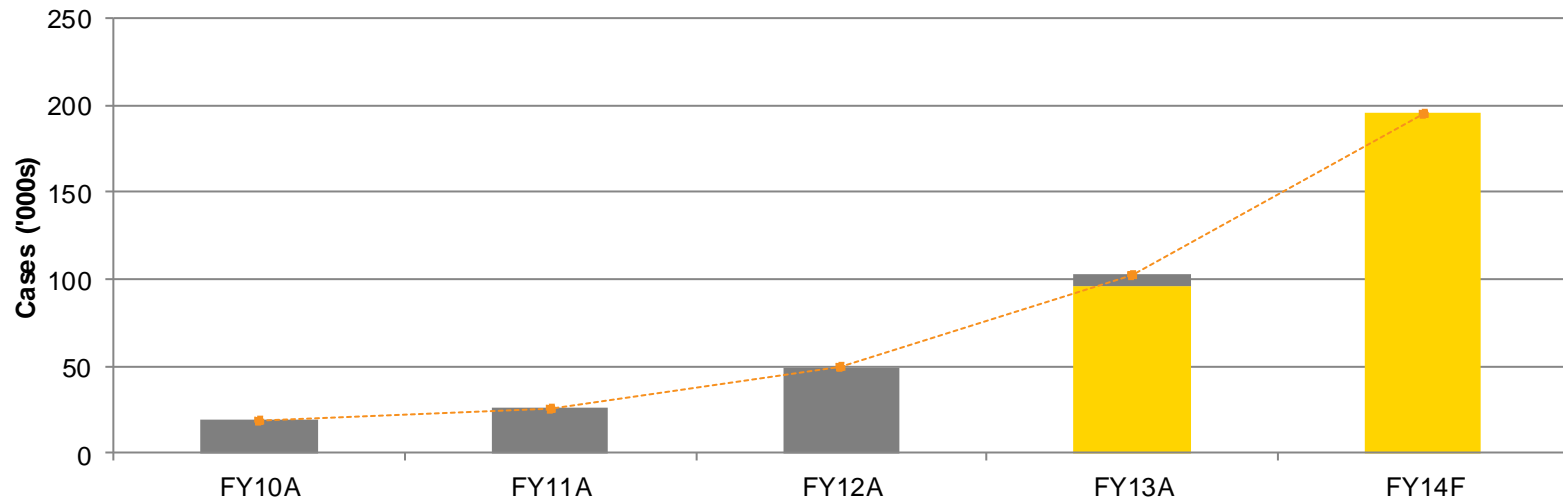


# Moa's growth story continues post IPO

## Moa sales volume

- ▶ In FY13, Moa achieved over 50% in New Zealand revenue growth while export growth tripled
- ▶ Key growth markets include US, China and New Zealand
  - Also in UK, Canada, Singapore, Finland and Brazil

Moa sales volume



Source: Moa management

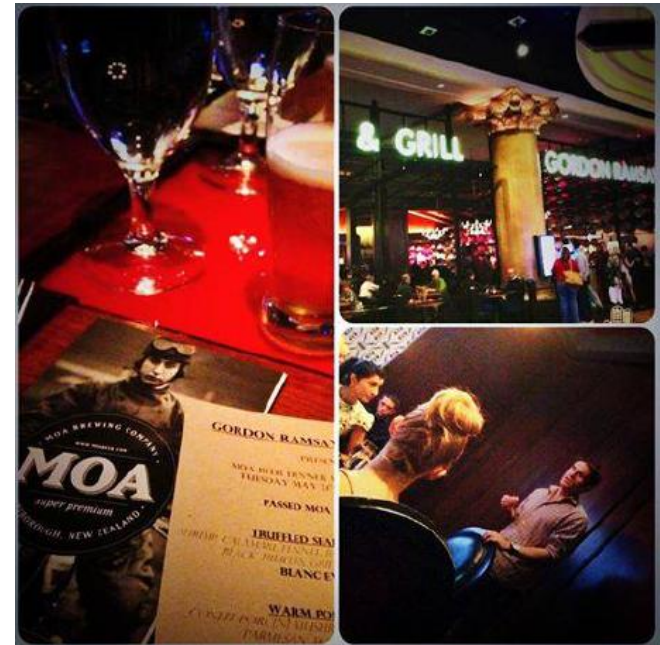




# Moa's growth story continues post IPO

## Qualitative measures

- ▶ Hero on premise accounts include:
  - Gordon Ramsey Pub & Grill – Las Vegas
  - Setai Hotel – 5<sup>th</sup> Avenue New York
  - Jockey Club – Hong Kong
  - Shady Pines – Sydney



Source: Moa management





# Moa's growth story continues post IPO

## Marketing initiatives

- ▶ USA
  - San Francisco drive, starting with America's Cup
  - Beer marketing dinners with The Founder
- ▶ Australia
  - Australian sports celebrity connection
- ▶ UK
  - UK sports celebrity ambassador
- ▶ New Zealand
  - "Own a Brewery" competition
  - Beer philosophy classes
- ▶ China
  - Special gift cases



Source: Moa management





# Moa's growth story continues post IPO

## New brewery update

- ▶ Resource consent process required notification
- ▶ Hearing commenced on the 24<sup>th</sup> of June



Source: Moa management



## Post listing capital raising options

- ▶ Placements – up to 20% of current issued share capital in any 12 month period (without shareholder approval)
- ▶ Share purchase plans – cost effective way to raise new capital, usually done in conjunction with placement
- ▶ Rights issue – pro-rata with ability to raise more capital but is more complex and requires a short form registered prospectus
- ▶ Dividend reinvestment plans – good for raising small amounts of capital if company is dividend paying
- ▶ Employee share schemes – up to 3% of current issued share capital in any 12 month period (without shareholder approval)

## Post listing responsibilities

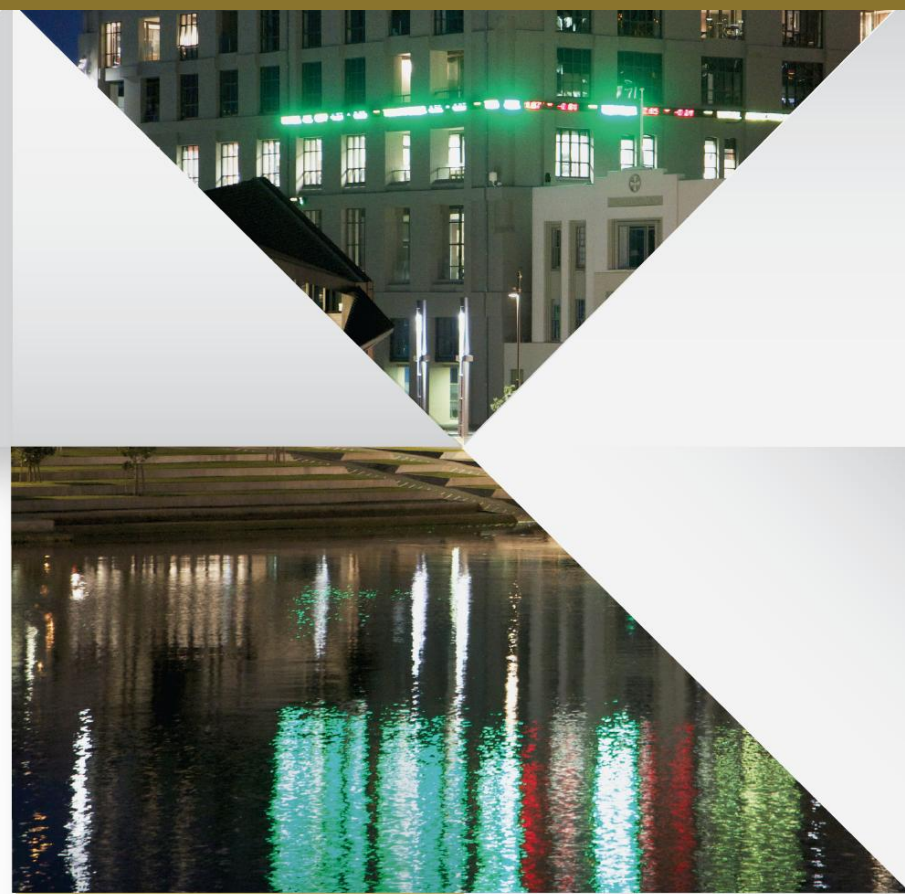
- ▶ File results regularly (interim and full year results at minimum)
- ▶ Annual audit
- ▶ Disclosure of related party transactions
- ▶ Market announcements on significant changes – continuous disclosure obligations
- ▶ Investor relations activities
  - Analyst results briefings
  - Annual and interim reports
  - Institutional roadshows
  - Press releases

No big changes for a well run company

# Measuring IPO success

- ▶ Strong after market share performance and total investor returns
- ▶ Successful employee incentive plan
- ▶ Enhanced corporate profile
- ▶ Business momentum
- ▶ Successful subsequent capital raisings
- ▶ Acquisitions
- ▶ Strong company performance

**Questions?**





## Contact details

- ▶ **Geoff Ross**  
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## Closing comments

